

REMARKS

Claims 1-21 are pending in the present application. The Examiner has rejected claims 1-21 and has objected to claims 2-10 and 17. In the present Response, Applicants have amended claims 2, 3, 9, 13, 17, and 19 to overcome the Examiner's rejections and/or objections to the claims and have amended claims 2-6, 8-17, and 19-21 to correct obvious typographical errors. Applicants have added new claims 22-42. In addition, Applicants have amended the specification to overcome the Examiner's objections to the specification and to correct obvious typographical errors. Support for the amendments and new claims can be found throughout the specification and claims as originally filed. No new matter enters by way of these amendments. With this Response, claims 1-42 are pending.

Specification Objections

The Examiner has objected to the disclosures because of the following alleged informalities. *Office Action page 2.*

1. The Examiner suggests that Applicant may have intended "Tables IV-VIII" in lieu of "Tables IV-VII" on page 12, line 15. *Office Action page 2.*

Applicants have amended the specification accordingly.

2. The Examiner notes that Applicant did not explain Field 10 on page 13 as Applicant does all other fields of the disclosed tables. The Examiner states that this may be needed for clarity of the redistribution process. *Office Action page 2.*

Applicants assert that the meaning is readily apparent from a reading of Table IX and, as such, a separate description is not necessary.

3. The Examiner notes that Applicant refers to "GHI Investment Fund" on page 17, lines 4-5 in lieu of "GHI Teachers Fund" in reference to Table XIII. *Office Action page 2.*

Applicants have amended the specification accordingly.

Claim Objections

The Examiner has objected to Claims 2-10 and 17 because of the following alleged informalities. *Office Action page 2.*

1. **Claims 2-10**

Claims 2-10 are objected to under 37 CFR 1.75(c), as allegedly being of improper dependent form for failing to further limit the subject matter of a previous claims. *Office Action page 2.* The Examiner states that “[c]laims directed to an Apparatus must be distinguished from the prior art in terms of structure rather than function” and cites *In re Danly* 263 F.2d 844, 847, 120 USPQ 582, 531 (CCPA 1959). The Examiner further alleges that “[a] claim containing a ‘recitation with respect to the manner in which a claimed apparatus is intended to be employed does not differentiate the claimed apparatus from a prior art apparatus’ if the prior art apparatus teaches all the structural limitations of the claim” and cites *Ex parte Masham*, 2 USPQ2d 1657 (Bd Pat. App. & Inter. 1987). *Office Action page 2-3.*

By way of example, the Examiner asserts that “Applicant’s Claim 2 further describes what ‘said server’ does, what types of nonfunctional descriptive material ‘said indicia’ include and ‘said inventories’ comprise, and what the ‘said transaction’ is in this instance,” but that “Applicant’s Claims 2 does not add further structure to Claim 1’s ‘server’ that has capabilities ‘to receive’, ‘to perform’, and ‘to return’.” *Office Action page 3.*

The Examiner contends that “Applicant is required to cancel the claim(s), or amend the claim(s) to place the claim(s) in proper dependent form, or rewrite the claim(s) in independent form.” *Office Action page 3.*

Applicants respectfully disagree. *In re Danly* and *Ex parte Masham* indicate that an apparatus claim cannot overcome a rejection to an apparatus that is known in the prior art simply by relying on a functional characteristic to differentiate it from the structure known in the prior art. Neither case indicates that functional language may not be used to further limit the scope of a dependent claim.

“A patent applicant is free to recite features of an apparatus either structurally or functionally.” *In re Schreiber*, 128 F.3d 1473, 1478 (Fed. Cir. 1997) (*citing In re Swinehart*, 58 C.C.P.A. 1027, 439 F.2d 210, 212, 169 USPQ 226, 228 (CCPA 1971) for the proposition that

"there is nothing intrinsically wrong with [defining something by what it does rather than what it is] in drafting patent claims.").

Thus, Applicants assert that claims 2-10 are not of improper dependant form and respectfully request that the Examiner remove his objection.

2. Claims 3 & 9

Claims 3 and 9 are objected to because the Examiner claims that it is "unclear how 'includes other pertinent information concerning each said mortgage-backed security' relates to 'said transaction'." *Office Action page 3.*

While Applicants do not agree that the relationship is unclear, to facilitate prosecution, Applicants have amended claims 3 and 9.

3. Claim 17

Claim 17 is objected to because the Examiner states that he "suspects that Applicant intended to depend from Claim 12 in lieu of Claim 13 for consistency with system Claim 6. Otherwise, the Examiner states that claim 17 would be a duplicate of Claim 14." *Office Action page 3.*

Applicants have amended claim 17 accordingly.

Claim Rejections

Rejection under 35 USC § 112

Claims 2, 4, 5, 13, 15, 16, and 19 stand rejected under 35 U.S.C. 1 12, second paragraph, as allegedly being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. *Office Action page 4.*

Claims 2 & 13

Regarding claims 2 and 13, the Examiner alleges that "receive at least two inventories" conflicts with the requirements of Claim 1, which states, 'receive at least one inventory'.¹

¹ Regarding claim 13, the Examiner's specific allegation was that "at least two inventories are received" conflicts with the requirements of Claim 12, which states, 'receiving at least one inventory.'"

Office Action page 4. The Examiner “questions whether this further limits the claim.” *Office Action page 4.*

Applicants assert that claims 2 and 13 further limit the scope of claims 1 and 13. The phrase “receive at least two inventories” means that more than one inventory is received. The phrase “receive at least one inventory” means that more than one inventory may be received or that only one inventory may be received. Thus, Applicants assert that claims 2 and 13 limit the scope of claims 1 and 12 respectively and request reconsideration.

In addition, the Examiner asserts that “a holder” is rendered unclear in view of Claim 3’s and Claim 14’s “an account holder” and suggests that Applicants use different terminology.”

Office Action page 4.

Applicants disagree that the language of claim 2 or 13 is unclear, however, to facilitate prosecution, Applicants have amended claims 2 and 13 to replace “a holder” with “an account holder.” Thus Applicants respectfully request reconsideration.

Claims 4-5 & 15-16

Regarding claims 4-5 and 15-16, the Examiner alleges that “said account holder” lacks antecedent basis. *Office Action page 4.*

In light of Applicant’s amendments to claims 2 and 13, replacing “a holder” with “an account holder,” the Examiner’s rejections to claims 4-5 and 15-16 are rendered moot. Thus Applicants respectfully request reconsideration.

Claim 19

Regarding Claim 19, the Examiner alleges that “said server” lacks antecedent basis. *Office Action page 4.*

Applicants have amended claim 19 accordingly and thus request reconsideration.

Double Patenting Rejection

Claims 8 and 19 are provisionally rejected on the ground of non-statutory obviousness-type double patenting as being allegedly unpatentable over Claim 4 of copending Application No. 11/129,334. *Office Action page 5.* The Examiner acknowledges that this is a provisional

obviousness-type double patenting rejection because the conflicting claims have not in fact been patented.

Applicants respectfully request the Examiner to hold the non-statutory double patenting rejection in abeyance until allowable matter is identified.

Rejection under 35 U.S.C. § 103

Claims 1-4, 6, 7, 11-15, 17, and 18 are rejected under 35 U.S.C. 103(a) as allegedly being unpatentable over Singh *et al.* (U.S. appln. no. 10/678,376; U.S. pub. no. 2004/0167824) (hereinafter “Singh”) in view of Kochansky *et al.* (U.S. appln. no. 10/325,052; U.S. pub. no. 2003/0187777) (hereinafter “Kochansky”). *Office Action page 5.*

Claim 12

Regarding Claim 12, the Examiner alleges that Singh discloses “said inventory including indicia associated with each said ... security.” To support his assertion, the Examiner cites the word “identifying” at paragraph 11 of Singh. *Office Action page 6.*

Applicants respectfully disagree with the Examiner’s assertion. The word “identifying” at paragraph 11 of Singh does not teach anything about an inventory or indicia, much less “said inventory including indicia associated with each said ... security” (emphasis added). The sentence in which the word “identifying” appears in Singh reads “... identifying a number of units of one of the products to buy or sell...”

The cited portion of Singh teaches that the number of units of a product be identified but does not provide information about any characteristics of each security. The present invention, on the other hand, requires that indicia associated with each security be identified. Simply counting the units of a product does not identify any characteristics of those units. Thus, Applicants assert that whatever Singh may teach, it does not teach “said inventory including indicia associated with each said ... security” and respectfully request reconsideration of the above rejection.

The Examiner also alleges that Singh discloses “performing at least one transaction based on an analysis of said at least one inventory.” To support his assertion, the Examiner cites the phrase “swaps matched orders” at paragraph 55 of Singh. *Office Action page 6.*

Applicants respectfully disagree with the Examiner's assertion. The phrase "swap matched order" at paragraph 55 of Singh does not teach "performing at least one transaction based on an analysis of said at least one inventory."

As discussed in more detail below, the Examiner admits that "Singh ... does not specifically disclose receiving at least one inventory." *Office Action page 6*. It follows, then, that if Singh does not disclose receiving at least one inventory then it cannot disclose "performing at least one transaction based on an analysis of said at least one inventory." In other words, if the system of Singh does not receive an inventory, then it cannot possibly perform a transaction based on an analysis of such an inventory. Thus, Applicants respectfully request reconsideration of the above referenced rejection.

As discussed above, the Examiner admits that Singh does not specifically disclose receiving at least one inventory. *Office Action page 6*. The Examiner argues, however, that Singh teaches a method where "a seller [is] more interested in adjusting the composition of inventory than in receiving monetary consideration for products in the inventory." To support his argument, the Examiner cites "orders' received" at paragraph 11 of Singh, and "adjusts 'inventory'" at paragraph 6 of Singh. *Office Action pages 6-7*. The Examiner reasons that "[i]f not concerned of others knowing the content of one's portfolio, it would be more efficient to submit actual inventories for trading in lieu of 'orders' that would achieve the same desired end/portfolio content." *Office Action page 7*. The Examiner claims that "[a]s such, it would have been obvious to one of ordinary skill in the art, at the time of Applicant's invention, to modify Singh ... to include the 'receiving [of] at least one inventory.'" *Office Action page 7*. However, the Examiner provides no evidence to support his theory that the players would not be concerned with others knowing the content of one's portfolio.

Even assuming, *arguendo*, that the players were not concerned with others knowing the content of their portfolios, the Examiner does not explain how it would have been obvious for one of ordinary skill in the art to modify Singh's system to handle inventories. It is not clear how the system of Singh would work if the players submitted inventories in lieu of submitting orders in the manner disclosed by Singh. Since the system in Singh involves swapping various units and various products, the administrator would have no way of knowing, simply from an

inventory, what the participant wanted to reduce and what the participant wanted to gain. In the context of Singh's system, the orders appear necessary for the administrator to know what the participant wants to give up and what the participant wants to gain. Simply providing an inventory in Singh's system would not give the administrator this information, and thus it is not clear how one of ordinary skill would make the system of Singh work using inventories in lieu of submitting orders in the manner disclosed by Singh.

For the reasons stated above, Applicants respectfully request reconsideration of the above referenced rejection.

Claims 1-11 & 13-21

Claims 13-21 depend from independent claim 1. Therefore, it is respectfully submitted that, for at least the reasons set forth above, claims 13-21 are not rendered obvious by the art cited by the Examiner. In addition, claims 1-11 encompass, and are rejected based on, similar elements as claim 12. Therefore, for at least the reasons set forth above regarding claim 12, it is respectfully submitted that claims 1-11 are not rendered obvious by the art cited by the Examiner. Thus, Applicants respectfully request reconsideration of the rejections of all of the claims.

CONCLUSION

In view of the above, each of the presently pending claims is believed to be in immediate condition for allowance. Accordingly, the Examiner is respectfully requested to withdraw the outstanding rejection of the claims, and to pass this application to issue. The Examiner is encouraged to contact the undersigned at 202-942-6567 should any additional information be necessary for allowance.

Respectfully submitted,



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